



**DEPARTMENT OF ADMINISTRATION
VICTIMS OF CRIME PROGRAM**
www.voc.nv.gov

October 21, 2010

To: Andrew Clinger, Clerk
Board of Examiners

From: Bryan Nix, Coordinator
Victims of Crime Program

Re: VOCP 1st Quarter FY 2011 Report, and 2nd Quarter FY 2011
Recommendation

NRS 217.260 requires the Board of Examiners to estimate available revenue and anticipated claim costs each quarter. If revenues are insufficient to pay anticipated claims, the statute directs that claim payments must be reduced proportionately. Policies adopted by the Board pursuant to NRS 217.130 and NRS 217.150 allow the VOCP to pay claims according to fee schedules, so a blanket claim reduction is generally unnecessary as provided for in NRS 217.260.

BOE Policies for the VOCP provide for payment of Priority One and Priority Two claims as incurred during the quarter, and for payment of accrued Priority Three claims at the end of each quarter. Priority One and Two claims are bills for current medical treatment, lost wages, funeral expenses, counseling, etc. Priority Three claims are bills the applicant owed prior to claim acceptance such as hospital emergency room and related bills. The VOCP pays the "approved" amount, which is the amount approved for payment after bill review and application of fee schedules or other payment adjustments or reductions pursuant to BOE policies.

The VOCP paid all Priority One, Two, and Priority Three claims at 100% of their approved amount for all of FY 2009, and the first and second quarter of FY 2010. However, due to declining revenues and new reserve requirements the VOCP did not have sufficient budget authority to pay projected claim costs at 100% of the approved amount for the remainder of FY 2010 and payments were made after further reductions pursuant to BOE policies.

Claim Payments Made Year to Date Fiscal Year 2011

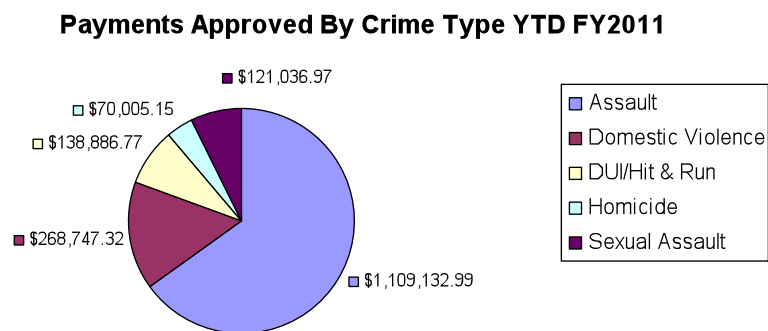
The following chart shows claim payments made year to date in FY 2011, by benefit type. As this chart shows the VOCP has satisfied **\$5,436,616.47** in victim medical bills and claims for **\$1,786,827.99** of available funding. After bill review and application of BOE Policies we had a total savings of **\$3,649,788.48**, over the billed amount in the 1st quarter FY2011.

Payment Amounts by Type Fiscal Year 2011				
Type of Expense	Number of Bills	Total Victim Bills Submitted	Amount Saved by Bill Review	Amount Paid to Providers
Chiropractic	108	47,283.30	13,581.19	33,702.11
Counseling	882	201,073.60	38,597.26	162,476.34
Survivor Benefits	6	7,792.80	0.00	7,792.80
Dental	99	239,459.73	59,852.97	179,606.76
Discretionary*	105	120,692.24	170.00	120,522.24
Funeral Expense	31	71,559.06	0.00	71,559.06
Lost Wages	113	107,667.09	0.00	107,667.09
Medical - Hospital	189	807,453.45	695,070.99	112,382.46
Medical - Other	577	370,768.70	133,158.40	237,610.30
Prescription	247	42,544.17	1,906.63	40,637.54
Physical Therapy	72	38,370.00	12,696.58	25,673.42
Vision	45	26,026.87	6,534.57	19,492.30
Pending Priority Three** Payments 1st Quarter 2011	570	3,355,925.46	2,688,219.89	667,705.57
Total Payments FY 2011	3,044	\$5,436,616.47	\$3,649,788.48	\$1,786,827.99
*Discretionary payments include: Relocations, Temporary Housing, Crime Scene Clean-up, etc.				

** There are **\$3,355,925.46** in pending Priority Three Claims, which will be paid for at **\$667,705.57**, which is 100% of the approved amount at the end of the 1st quarter FY 2011.

Victim Payments by Crime Type Fiscal Year 2011

The following pie chart shows amounts approved for payment by crime type, during Fiscal Year 2011 YTD.



Financial Review Fiscal Year 2011

The following chart shows projected revenues and fund balances, including reserves for FY 2011, and recommendations for 2nd quarter FY 2011 based on projections. These projections of revenue and anticipated expenses are used for purposes of determining compliance with NRS 217.260 and policies of the BOE adopted pursuant to NRS 217.130 and NRS 217.150.

Financial Position and First Quarter 2011 Projections	
Projected Funds Available for Payments FY11 Less 30 Day Reserves*	\$8,417,147.42
Projected Funds Available for 1st Quarter FY 2011	\$2,104,286.86
1st Quarter Priority One and Two Claims	\$1,119,122.42
Approved Priority Three Claims Pending Payment	\$667,705.57
1st Quarter Claim Payments	\$1,786,827.99
Quarterly Funds Remaining After Payments	\$317,458.87
Projected Funds Available for 2nd Quarter FY 2011 Less 30 Day Reserves	\$2,210,106.48
Projected Payments 2nd Quarter FY 2011**	\$2,204,554.00
Projected Quarterly Funds Remaining After Payments - Add to Reserves	\$5,552.48
Recommended Priority Three Payment Percentage 2nd Quarter FY11	100%
*Reserve amount is \$810,400.00 **Average of last 6 quarterly periods.	

In February 2010, the VOCP was required to establish a 30-day operating expense reserve out of FY 2010 revenues, to ensure we had sufficient operating capital in the event of a disruption in our funding. In order to accommodate this new reserve requirement the VOCP had to significantly reduce the recommended payment percentage on Priority Three claims for the 3rd and 4th quarter of FY 2010. (50% and 40% respectively.)

Reserves of \$810,400.00 are now being maintained to cover the required 30 day's of victim's claims. An error was identified in the reported billed amounts of claims paid in FY 2011 which inflated the billed amount and savings amount shown on the 4th quarter report. This was corrected and had no impact on any claim. Minor discrepancies between the 4th quarter amount paid to providers and the annual report amount paid to providers is caused by checks voided in the system after the 4th quarter report was created. These reporting discrepancies did not affect any victim payment.

As expected, revenues have been reduced due to the economic downturn, while requests for VOCP assistance continue to climb. In 2010 overall revenues were \$1.2 million below projections. The VOCP saw significant decreases in revenue from Fines, Restitution, Wage Assessment, Court Assessment and Treasurers Interest.

Fortunately the federal grant is significantly higher than last year. This year's federal grant is \$2,971,000, which is \$820,000.00 higher than last years grant of \$2,151,000. This increase essentially covered the new reserves set aside by the VOCP earlier in the year.

At the end of FY 2010, we recommended paying Priority Three payments at 80% for the first quarter. Our current financial review shows that we have sufficient funding to cover 1st quarter Priority Three payments at 100%, and we are projecting sufficient funds to continue paying at 100% in the second quarter.

VOCP Recommendation

There are projected 2nd quarter Priority One and Two payments totaling **\$1,299,684.74** and projected priority three payments totaling **\$904,869.05**, for a total expense of **\$2,204,553.79**.

After reserving **\$810,400.00** for 30 days operating expenses, our budget shows VOCP revenues available for 2nd quarter total **\$2,210,106.48**.

Therefore; based on current projections, pursuant to NRS 217.260 and policies of the BOE, the VOCP recommends paying Priority One and Two claims at **100%**, and Priority Three claims at **100%** of the approved amount for the 2nd quarter of FY 2011.